



## **Request for City Council Committee Action from the Department of Public Works**

**Date:** November 7, 2013

**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

**Referral to:** Honorable Betsy Hodges, Chair Ways and Means/Budget Committee

**Subject:** **Cooperative Development Agreement with M.A. Mortenson Company  
for City-Owned Hampton Inn & Suites Hotel Skyway**

### **Recommendation:**

- A. Authorize the proper City officials to negotiate and execute a Cooperative Development Agreement with M.A. Mortenson Company for professional design services, demolition, and construction related to a City owned Skyway and re-connection to the proposed Hampton Inn & Suites Hotel site located at 19 8<sup>th</sup> St. N. The City shall reimburse M.A. Mortenson Company for skyway design, demolition, and construction services in the amount of \$200,000 to be paid from existing City funds within the Parking Fund (07500-685-HAWT).
- B. Authorize the proper City officials to negotiate and execute an Amendment to a 1992 Skyway Easement Agreement for purposes of memorializing termination of the original skyway contemplated therein, and restating and revising the 1992 terms to reflect a new skyway schematic.

### **Previous Directives:**

- November 9, 1990 – Authorized the proper City officers to negotiate and execute an Agreement for Skyway Construction, Financing, Management, Maintenance, and Easements with LaSalle Plaza Limited Partnership.

### **Department Information:**

Prepared by: Paul Miller, Project Manager, Department of Public Works, Transportation, Planning & Engineering

Approved by: \_\_\_\_\_

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Jon Wertjes

### **Financial Impact**

- See background section for funding details.

### **Community Impact**

- City Goals: The City's infrastructure will be well-maintained; people will feel safe in the City.

## **Supporting Information**

### Background

In 1992 the City entered into an agreement with LaSalle Plaza Limited Partnership to allow for a City owned skyway to be constructed on private property. The completed skyway connects the building at 800 Hennepin Avenue across a privately owned surface parking lot located at 19 8<sup>th</sup> St. N. to Ramp A (7<sup>th</sup> St. Parking Garage). Per the terms of that agreement, in the event that the private property would ever be re-developed, the City would be obligated to covers all costs of skyway removal and skyway reconnection from the new development to the 800 Hennepin Ave. building and Ramp A.

### Current Development Proposal

A development team led by M.A. Mortenson Company is in the process of redeveloping the private property at 19 8<sup>th</sup> St. N. as the site of a Hampton Inn & Suites Hotel. The proposed hotel is currently in the formal Planning and Development Review stages with the City, with site plan approvals anticipated for November 2013 and construction anticipated to start in December of 2013.

The development team has approached the City to discuss its obligations related to the skyway removal and reconnection. The continued skyway connections from the 800 Hennepin Ave. site, through the new hotel to Ramp A are integral to the design and construction of the new hotel. Attempting to coordinate and perform these tasks with City forces in a timely manner would be difficult and not cost beneficial to the City. Through discussions with the development team it was determined that the expertise required for skyway design, skyway removal, and skyway construction are tasks best suited for M.A. Mortenson and that the City should only be responsible for the costs of these tasks per the 1992 Agreement. M.A. Mortenson Company has provided cost estimates for all of the associated design services, demolition, and construction tasks totaling \$200,000.

### Recommendation

Public Works recommends that the proper City officers be authorized to negotiate and execute a Cooperative Development Agreement with M.A. Mortenson Company related to the proposed Hampton Inn & Suites Hotel for a total amount not to exceed of \$200,000. Costs for each of the separate, specific tasks are as follows:

1. Professional skyway design services in an amount not to exceed \$50,000
2. Skyway demolition in an amount not to exceed \$50,000
3. Skyway construction to 800 Hennepin Ave. in an amount not to exceed \$50,000
4. Skyway construction to Ramp A in an amount not to exceed \$50,000

The City shall commission and reimburse M.A. Mortenson Company for these services pursuant to standard City contract provisions, and pay the above amounts from existing City funds within the Parking Fund (07500-685-HAWT).

Public Works further recommends that the proper City officers be authorized to negotiate and enter into an Amendment to the 1992 Skyway Easement Agreement for purposes of memorializing termination of the original skyway, and restating and revising the 1992 terms to reflect a new skyway schematic.